



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 22, 2013

H.R. 740 **Southeast Alaska Native Land Entitlement Finalization and Jobs Protection Act**

*As ordered reported by the House Committee on Natural Resources
on June 12, 2013*

H.R. 740 would authorize the Southeast Alaska Native Corporation (Sealaska) to select the remainder of its land entitlement from federal lands outside the area originally delineated for that purpose by the Alaska Native Claims Settlement Act. Based on information from the Forest Service, CBO estimates that enacting H.R. 740 would result in a net loss of \$4 million in timber receipts over the 2014-2023 period (such losses would increase direct spending). Because enacting the legislation would affect direct spending, pay-as-you-go procedures apply. Enacting H.R. 740 would not affect revenues.

Under the bill, Sealaska would be permitted to choose its remaining land entitlement from about 70,000 acres of old and second-growth forest land. Though the legislation would not grant additional lands to Sealaska, it would allow Sealaska to select from federal lands that are not available under current law and that are expected to generate timber receipts for the Treasury; in contrast, the lands available under current law are not expected to generate receipts to the Treasury. Proceeds from the sale of timber on federal land are deposited in the Treasury as offsetting receipts (a credit against direct spending).

CBO estimates that enacting H.R. 740 would result in about 18,000 fewer federal acres being harvested for timber over the 2014-2023 period. CBO estimates that this reduction in timber harvests would reduce offsetting receipts by \$18 million over the 2014-2023 period. The Forest Service has the authority to spend a portion of those receipts without further appropriation. Thus, CBO estimates that enacting the bill would reduce net offsetting receipts to the Treasury by \$4 million over the 2014-2023 period and additional amounts after 2023.

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. H.R. 740 would reduce offsetting receipts; therefore, pay-as-you-go procedures apply. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for H.R. 740 as ordered reported by the House Committee on Natural Resources on June 12, 2013

	By Fiscal Year, in Millions of Dollars												
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2013-2018	2013-2023
NET INCREASE OR DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	0	0	0	0	0	0	0	1	1	1	0	4

Note: Components do not sum to totals because of rounding.

H.R. 740 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments. Enacting this legislation would benefit Sealaska.

On August 21, 2013, CBO transmitted a cost estimate for S. 340, the Southeast Alaska Native Land Entitlement Finalization and Jobs Protection Act, as ordered reported by the Senate Committee on Energy and Natural Resources on June 18, 2013. H.R. 740 and S. 340 are similar; however, S. 340 would allow the Forest Service to harvest timber in areas that are not allowed under current law. CBO estimates this provision would result in a small increase in proceeds from timber sales. H.R. 740 does not include this provision. The CBO cost estimates reflect this difference.

The CBO staff contact for this estimate is Martin von Gnechten. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.